We claim:

SUB C1

1) A method for managing the sale of a tier-priced commodity comprising the steps of:

a) determining a first price for a commodity at a first tier;

b) determining a second price for said commodity at a second tier;

c) determining a third price for a financial instrument designed to indemnify against at least one risk associated with purchasing said commodity at said second tier; and

a d) offering said commodity at said second tier ~~commodity~~ for sale at a fourth price; wherein said fourth price is a ~~lower than said first price and~~ equal to or higher than the sum of said second price and said third price.

SUB D7

2) ~~The method of claim 1 further comprises~~ the steps of receiving a request from a customer to purchase said commodity for said fourth price and selling said ~~customer said commodity.~~

SUB C2

3) The method of claim 2, wherein ownership of said financial instrument is not transferred to said customer.

4) The method of claim 2, wherein ownership of said financial instrument is transferred to said customer.

5) The method of claim 1, wherein said financial instrument is an insurance policy.

6) The method of claim 1, wherein said financial instrument is a hedge contract.

Sub D9

7) The method of claim 5, wherein said tier-priced commodity is electrical power.

8) The method of claim 6, wherein said tier-priced commodity is electrical power.

Sub B13

9) A method for managing the sale of a tier-priced commodity over a computer network comprising the steps of:

a) displaying to a customer on a display associated with a customer computer a price for a tier-priced commodity; wherein said commodity has at least a first tier and a second tier in its pricing structure; wherein said second tier has at least one associated risk;

b) receiving a request to purchase said tier-priced commodity on a seller computer connected to said buyer computer via a computer network;

c) selling said tier-priced commodity to said customer; and

d) transferring to said customer the right to receive indemnification against loss due to the at least one associated risk if said commodity is sold to said customer is from said second tier.

Sub a1

10) The method of claim 9, wherein said financial instrument is designed to protect against loss associated with interruptions in the delivery of said second tier commodity.

11) The method of claim 10, wherein the price of said financial instrument is based upon one or more factors associated said customer.

12) A system for managing the sale of a tier-priced commodity over a computer network comprising:

a) a first computer;

b) a second computer connected to said first computer by a computer network;

c) commodity data storage accessible to said second computer comprising at least one tier-priced commodity having at least a first tier and a second tier; and

C3 Cont'd

d) financial instrument data storage accessible to said second computer comprising at least one financial instrument designed to indemnify against at least one risk associated with purchasing said commodity from said second tier.

13) A method for managing the sale of a tier-priced commodity comprising the steps of:

a) determining a first price for a commodity at a first tier from a first source for a customer;

b) determining a second price for said commodity at a second tier from said first source for said customer;

c) determining a third price for a first financial instrument designed to indemnify said customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from said first source;

d) determining a fourth price for said commodity at a first tier from a second source for a customer;

e) determining a fifth price for said commodity at a second tier from said second source for said customer;

f) determining a sixth price for a second financial instrument designed to indemnify said customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from said second source; and

g) displaying to said customer the lowest of said first price, the sum of said second price and said third price, said fourth price and the sum of said fifth price and said sixth price.

a3 cont'd

14) A method for managing the sale of a tier-priced commodity comprising the steps of:

a) determining a first price for a commodity at a first tier for a first customer;

b) determining a second price for said commodity at a second tier for said first customer;

c) determining a third price for a first financial instrument designed to indemnify said first customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier;

d) determining a fourth price for said commodity at a first tier for a second customer;

e) determining a fifth price for said commodity at a second tier for said second customer;

f) determining a sixth price for a second financial instrument designed to indemnify said second customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from;

C3 Cont'd

g) displaying to said first customer the lowest of said first price, the sum of said second price and said third price; and

h) displaying to said second customer the lowest of said fourth price and the sum of said fifth price and said sixth price.

15) A method for managing the sale of a tier-priced commodity comprising the steps of:

a) displaying to a first bidder a first price for a commodity and a first financial instrument designed to indemnify said first bidder against loss associated with at least one risk associated with the purchase of said commodity;

b) displaying to a second bidder a second price for a commodity and a second financial instrument designed to indemnify said second bidder against loss associated with at least one risk associated with the purchase of said commodity;

c) receiving bids for said commodity from said first bidder and said second bidder; and

C3 cont'd

d) selling said commodity and transferring a right to collect against said first financial instrument to said first bidder if said first bidder exceeds said first price by a greater amount than said second bidder exceeds said second price or selling said commodity and transferring a right to collect against said second financial instrument to said second bidder if said second bidder exceeds said second price by a greater amount than said first bidder exceeds said first price.

add D12

add E3